

Return on Investment (ROI) Program Funding Application

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FINAL AUDIT REQUIRED: The Enterprise Quality Assurance Office of the Information Technology Department is required to perform post implementation outcome audits for all Pooled Technology funded projects and may perform audits on other projects.

This is a Pooled Technology Fund Request. Amount of funding requested: \$398,221.00

Section I: Proposal

Date: 8/19/2002
Agency Name: DHS - Administration
Project Name: ICAR Succession Analysis
Agency Manager: Patricia Eakle
Agency Manager Phone Number / E-Mail: (515)281-7059 / teakle@dhs.state.ia.us
Executive Sponsor (Agency Director or Designee): Jeanne Nesbit

D. Statutory or Other Requirements

Is this project or expenditure necessary for compliance with a Federal law, rule, or order?

☐ YES (If "Yes", cite the specific Federal law, rule or order, with a short explanation of how this project is impacted by it.)

Explanation:

Is this project or expenditure required by state law, rule or order?

☐ YES (If "YES", cite the specific state law, rule or order, with a short explanation of how this project is impacted by it.)

Explanation:

Does this project or expenditure meet a health, safety or security requirement?

☒ YES (If "YES", explain.)

Explanation:

A review of the current business need and re-design for a Child Support System would allow for system functionality that avoids security, health & safety issues for customers and personnel not fully met today. The redesign would take into consideration needed enhanced security features to meet required Federal

standards under 45 Code of Federal regulations. Security and safety of participants due to domestic violence and protection of disclosure need addressed & are not fully met today. A new business process to obtain and record health insurance to promote healthy kids, needs addressed through a child support system that is not met today through any automation process. A redesign would also position child support to move toward an improved data driven decision making platform that can be provided via newer technology.

Is this project or expenditure necessary for compliance with an enterprise technology standard?

☐ YES (If "YES", cite the specific standard.)

Explanation:

[This section to be scored by application evaluator.]

Evaluation (20 Points Maximum)

If the answer to these criteria is "no," the point value is zero (0). Depending upon how directly a qualifying project or expenditure may relate to a particular requirement (federal mandate, state mandate, health-safety-security issue, or compliance with an enterprise technology standard), or satisfies more than one requirement (e.g. it is mandated by state and federal law and fulfills a health and safety mandate), 1-20 points awarded.

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E. Impact on Iowa's Citizens

a. Project Participants

List the project participants (i.e. single agency, multiple agencies, State government enterprise, citizens, associations, or businesses, other levels of government, etc.) and provide commentary concerning the nature of participant involvement. Be sure to specify who and how many **direct** users the system will impact. Also specify whether the system will be of use to other interested parties: who they may be, how many people are estimated, and how they will use the system.

Response:

There are a variety of major stakeholders such as other State agencies (DPH, IWD, DRF, ITD), DHS agency employees, citizen or clients, State of Iowa employers, financial institutions and our federal partners. All stakeholders would participate in some forum in evaluating their needs in regard to a future system which takes into consideration the stakeholder. As in the past, Child Support would create a focus group of stakeholders to assist in future planning.

b. Service Improvements

Summarize the extent to which the project or expenditure improves service to Iowa citizens or within State government. Included would be such items as improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, etc.

Response:

A redesign would improve services in ease of use and efficiencies for employers, citizens and workers of

the state. For example, employers who process wage withholding for child support should be able to take advantage of an easy electronic submissions versus current manual payment processing. Customer service personnel should be able to utilize an electronic application to improve responding to customers in a more timely fashion. Customers should be able to access child support information through internet for things such as case status, forms submissions, etc. Managers should be able to query the system to receive adhoc reports to evaluate outcomes and performance measures in order to make good data driven decisions. Such reports are available on a limited basis today due to application design & infrastructure issues. All redesigned business processes and improved technology efficiencies would lead to improved collections and support to parents and Iowa children.

c. Citizen Impact

Summarize how the project leads to a more informed citizenry, facilitates accountability, and encourages participatory democracy. If this is an extension of another project, what has been the adopted rate of Iowa's citizens or government employees with the preceding project?

Response:

A variety of stakeholders include other agencies (DRF, DPH, IWD), approximately 700 DHS child support employees and additional 1300 (?) DHS workers, over 160,000+ families served by Child Support, 80,000+ employers, 600+ financial institutions and federal partners. More than 10% of the State of Iowas population are impacted by child support systems.

d. Public Health and/or Safety

Explain requirements or impact on the health and safety of the public.

Response:

[This section to be scored by application evaluator.]

Evaluation (10 Points Maximum)

- Minimally improves Customer Service (0-3 points).
- Moderately improves Customer Service (4-6 points).
- Significantly improves Customer Service (7-10 points).

[This section to be scored by application evaluator.]

Evaluation (15 Points Maximum)

- Minimally directly impacts Iowa citizens (0-5 points).
- Moderately directly impacts Iowa citizens (6-10 points).
- Significantly directly impacts Iowa citizens (11-15 points).

F. Process Reengineering

Provide a pre-project or pre-expenditure (before implementation) description of the impacted system or

process. Be sure to include the procedures used to administer the impacted system or process and how citizens interact with the current system.

Response:

We must enable our IT systems to provide efficient and high quality services to our citizens and workers. Since the inception of this system in 1986, we have been layering changes and modifying the design as required by Federal Family Support Act of 88 and the Federal Personal Responsibility and Work Opportunity Reconciliation Act. Barriers to meet the goals for a digital government are being experienced as we attempt to utilize new technology. We currently have enough resources to maintain our system and not enough resources to strategically plan or start a redesign.

Provide a post-project or post-expenditure (after implementation) description of the impacted system or process. Be sure to include the procedures used to administer the impacted system or process and how citizens will interact with the proposed system. In particular, note if the project or expenditure makes use of information technology in reengineering traditional government processes.

Response:

A system succession analysis should identify the best technology direction for our child support system that meets the demands for both short term and long term business needs. We anticipate building on this redesign when system changes are needed by approaching a redesign in a modular manner. A complete redesign is unfeasible at this time and would be multi-year effort. The project should take into consideration technology that would improve electronic interfacing capabilities consistent with the technology direction of the States infrastructure. The project should provide solutions to migrate to a platform that would be in line with the States technology direction. The project should give us suggested solutions and action steps for technology and the pros/cons, the steps that fit our business needs, and how to further enhance the use of the web environment. Questions to be answered in this process will be: a) is the mainframe platform the best solution in the future? b) If not, what are the options? The plan should become a road map for child support which would align with the Governors 2010 Plan or strategic plan as well as consistent with Federal requirements.

[This section to be scored by application evaluator.]

Evaluation (10 Points Maximum)

- Minimal use of information technology to reengineer government processes (0-3 points).
- Moderate use of information technology to reengineer government processes (4-6 points).
- Significant use of information technology to reengineer government processes (7-10).

[This section to be scored by application evaluator.]

Evaluation (5 Points Maximum)

- The timeline contains several problem areas (0-2 points)
- The timeline seems reasonable with few problem areas (3-4 points)
- The timeline seems reasonable with no problem areas (5)

H. Funding Requirements

On a fiscal year basis, enter the estimated cost by funding source: Be sure to include developmental costs and ongoing costs, such as those for hosting the site, maintenance, upgrades, ...

	FY04		FY05		FY06	
	Cost(\$)	% Total Cost	Cost (\$)	% Total Cost	Cost (\$)	% Total Cost
State General Fund	\$0	0%	\$0	0%	\$0	0%
Pooled Tech. Fund /IowAccess Fund	\$398,221	34%	\$0	0%	\$0	0%
Federal Funds	\$773,016	66%	\$0	0%	\$0	0%
Local Gov. Funds	\$0	0%	\$0	0%	\$0	0%
Grant or Private Funds	\$0	0%	\$0	0%	\$0	0%
Other Funds (Specify)	\$0	0%	\$0	0%	\$0	0%
Total Project Cost	\$1,171,237	100%	\$0	100%	\$0	100%
Non-Pooled Tech. Total	\$773,016	66%	\$0	0%	\$0	0%

[This section to be scored by application evaluator.]

Evaluation (10 Points Maximum)

- The funding request contains questionable items (0-3 points)
- The funding request seems reasonable with few questionable items (4-6 points)
- The funding request seems reasonable with no problem areas (7-10)

I. Scope

Is this project the first part of a future, larger project?

☐ YES (If "YES", explain.) ☒ NO, it is a stand-alone project.

Explanation:

Is this project a continuation of a previously begun project?

☐ YES (If "YES", explain.)

Explanation:

J. Source of Funds

On a fiscal year basis, how much of the total project cost (\$ amount and %) would be absorbed by your agency from non-Pooled Technology and/or IOWAccess funds? If desired, provide additional comment / response below.

Response:

The Bureau of Collections will provide office space, utilities and normal office supplies. The value of these items is minimal.

[This section to be scored by application evaluator.]

Evaluation (5 Points Maximum)

- 0% (0 points)
- 1%-12% (1 point)
- 13%-25% (2 points)
- 25%-38% (3 points)
- 39%-50% (4 points)
- Over 50% (5 points)

Section II: Financial Analysis

A. Project Budget Table

It is necessary to estimate and assign a useful life figure to each cost identified in the project budget. Useful life is the amount of time that project related equipment, products, or services are utilized before they are updated or replaced. In general, the useful life of hardware is three (3) years and the useful life of software is four (4) years. Depending upon the nature of the expense, the useful life for other project costs will vary between one (1) and four (4) years. On an exception basis, the useful life of individual project elements or the project as a whole may exceed four (4) years. Additionally, the ROI calculation must include all new annual ongoing costs that are project related.

The Total Annual Prorated Cost (State Share) will be calculated based on the following equation:

$$\left[\left(\frac{\text{Budget Amount}}{\text{Useful Life}} \right) \times \% \text{ State Share} \right] + (\text{Annual Ongoing Cost} \times \% \text{ State Share}) = \text{Annual Prorated Cost}$$

Budget Line Items	Budget Amount (1st Year Cost)	Useful Life (Years)	% State Share	Annual Ongoing Cost (After 1st Year)	% State Share	Annual Prorated Cost
Agency Staff	\$210,084	3	34.00%	\$0	0.00%	\$23,810
Software	\$0	4	0.00%	\$0	0.00%	\$0
Hardware	\$36,593	3	34.00%	\$0	0.00%	\$4,147
Training	\$0	4	0.00%	\$0	0.00%	\$0
Facilities	\$0	1	0.00%	\$0	0.00%	\$0
Professional Services	\$851,760	3	34.00%	\$0	0.00%	\$96,533
ITD Services	\$72,800	3	34.00%	\$0	0.00%	\$8,251
Supplies, Maint, etc.	\$0	1	0.00%	\$0	0.00%	\$0
Other	\$0	1	0.00%	\$0	0.00%	\$0
Totals	\$1,171,237	---	---	\$0	---	\$132,740

C. Tangible and/or Intangible Benefits

Respond to the following and transfer data to the ROI Financial Worksheet as necessary:

1. Annual Pre-Project Cost - This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation. **Quantify actual state government direct and indirect costs** (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation.

Describe Annual Pre-Project Cost:

This project produces a plan that would identify such savings. Those dollars are not available at this time.

Quantify Annual Pre-Project Cost:

	State Total
FTE Cost (salary plus benefits):	\$0.00
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$0.00
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$0.00
Total Annual Pre-Project Cost:	\$0.00

2. Annual Post-Project Cost - This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation. **Quantify actual state government direct and indirect costs** (personnel, support, equipment, etc.) associated with the activity, system or process after project implementation.

Describe Annual Post-Project Cost:

This project produces a plan that would allow us to identify savings. Those dollars are not available at this time.

Quantify Annual Post-Project Cost:

	State Total
FTE Cost (salary plus benefits):	\$0.00
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	\$0.00
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	\$0.00
Total Annual Post-Project Cost:	\$0.00

3. Citizen Benefit - Quantify the estimated annual value of the project to Iowa citizens. This includes the "hard cost" value of avoiding expenses ("hidden taxes") related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a "rule of thumb," use a value of \$10 per hour for citizen time.

Describe savings justification:

Transaction Savings

Number of annual online transactions:	0
Hours saved/transaction:	0

Number of Citizens affected:	0
Value of Citizen Hour	0
Total Transaction Savings:	\$0
Other Savings (Describe)	\$0
Total Savings:	\$175,500

4. Opportunity Value/Risk or Loss avoidance - Quantify the estimated annual non-operations benefit to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or Federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

Response:

The state appropriated funds used to pay for cost of the study would be matched at 66% federal funds or \$773,016.

5. Benefits Not Readily Quantifiable - List and summarize the overall non-quantifiable benefits (i.e., IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.).

Response:

1. The study will permit DHS to comprehensively plan for an improved electronic system to more effectively provide services to child support participants. 10

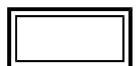
2. A study deliverable will be a requirement to develop an IT system which is compatible with the States IT enterprise standards and e-government initiatives. 10

ROI Financial Worksheet	
A. Total Annual Pre-Project cost (State Share from Section II C1):	\$0
B. Total Annual Post-Project cost (State Share from Section II C2):	\$0
State Government Benefit (= A-B):	\$0
Annual Benefit Summary:	\$0
State Government Benefit:	\$0
Citizen Benefit:	\$175,500
Opportunity Value or Risk/Loss Avoidance Benefit:	\$773,016
C. Total Annual Project Benefit:	\$948,516
D. Annual Prorated Cost (From Budget Table):	\$132,740
Benefit / Cost Ratio: (C/D) =	7.15
Return On Investment (ROI): ((C-D) / Requested Project Funds) * 100 =	204.86%

[This section to be scored by application evaluator.]

Evaluation (25 Points Maximum)

- The financial analysis contains several questionable entries and provides minimal financial benefit to citizens (0-8 points).
- The financial analysis seems reasonable with few questionable entries and provides a moderate financial benefit to citizens (9-16 points).
- The financial analysis seems reasonable with no problem areas and provides maximum financial benefit to citizens (17-25).



Note: For projects where no State Government Benefit, Citizen Benefit, or Opportunity Value or Risk/Loss Avoidance Benefit is created due to the nature of the project, the Benefit/Cost Ratio and Return on Investment values are set to Zero.

Appendix A. Auditable Outcome Measures

For each of the following categories, list the auditable metrics for success after implementation and identify how they will be measured.

1. Improved customer service

2. Citizen impact

3. Cost Savings

4. Project reengineering

5. Source of funds (Budget %)

No response required

6. Tangible/Intangible benefits

[Return](#)